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NSC BRIEFING

20 April 1959

SOVIET-USA RELATIONS

1. Soviet leaders are continuing effort convince Khrushchev that his long-term interests best served by relaxing anti-Communist and anti-bloc campaign.

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C. Meanwhile Soviet military and economic aid to UAR continue.

- 1. Shipments of military spare parts and aircraft engines have arrived this month.**

- 2. Radio Moscow has announced there "no foundation" for "talk" of stoppage of Soviet aid and UAR High Dam Committee has been told--almost three weeks ahead of schedule--that study and detailed plans for Aswan High Dam construction have been completed. UAR Minister of Public Works heads expert committee which scheduled fly Moscow next week.**
- 3. In other economic moves, Moscow is finishing shipment of large wheat consignment (some 200,000 tons), continues ship machinery under \$175 million economic development agreement, is sending large shipments of paper, cellulose, fertilizer and other normal trade items badly needed by UAR; maintaining shipment of petroleum products at level of 200,000 tons per month this year, as compared to**

150,000 tons per month last year. Soviet authorities moreover have made unprecedented concessions to facilitate POL shipments, permitting use of chartered non-Soviet tankers and shipping before letters of credit in hand.

III. Nasir's full reaction to Soviet blandishments may not yet be in. He has said, however, that he intends to continue to attack Communism in the Arab area while avoiding attacks on Prime Minister Qasim. Nasir probably hopes thereby to separate Qasim and Communists (this tactic advocated by Turks and others who feel attacks on Qasim have pushed him further into Communist arms).

A. Recent Nasir speeches have borne out this line, and have included attacks on Western imperialism and Zionists in obvious effort to maintain "neutral" position.

Attacks on West also probably reflect deep-seated suspicion on Nasir's part that West is unwilling to support him even in his anti-Communist campaign, and that British are actively working against him. What Nasir wants primarily is clandestine, not public, support, but other UAR officials feel latter needed as well.

1. Recent British moves likely to confirm Nasir's suspicions include decision to sell heavy arms--including tanks and jet bombers--to Qasim (heavy equipment won't be delivered before 1960) and UK financial moves aimed at blocking an IBRD loan for Suez Canal improvement.

Possibility remains that Nasir, getting nowhere in Iraq, may temporarily relax his efforts against Iraq and Communists, although he would retain his basic hostility to spread of Communist

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